GOVERNMENT OF INDIA
FINANCE
LOK SABHA

UNSTARRED QUESTION NO:1647
ANSWERED ON:25.11.2016
Mandatory Listing on Exchanges
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Will the Minister of FINANCE be pleased to state:

(a) whether the Insurance Regulatory and Development Authority of India (IRDAI) proposes that life insurers to mandatorily list shares on the stock exchanges; and

(b) if so, the details thereof and the reasons therefor?

Answer

Minister of State in the Ministry of Finance

(a) & (b): Insurance Regulatory and Development Authority of India (IRDAI) issued a Discussion Paper on "Listing of Indian Insurance Companies" on 11th August 2016 in order to seek feedback on mandatory listing of life and non-life insurers.

The Discussion Paper inter_alia suggests the following:

i) Public listing enables the retail and institutional investors to participate in the fortunes of the company.

ii) The mandate for disclosure requirements is significantly higher for listed entities. These include disclosures required to be made to the stock exchanges and through print media;

iii) Public shareholding by both retail and institutional investors means that there is a greater scrutiny of the decision making process, resulting in greater transparency of operations;

iv) The Statutory and regulatory provisions ensure that the interest of minority shareholders are protected.